Andrew H. Wilson, SBN #063209 WILSON, RYAN & CAMPILONGO 2 235 Montgomery Street RECEIVED Suite 450 3 San Francisco, California 94104 SEP 1 9 1995 (415) 391-3900 4 Telefax: (415) 954-0938 **HUB LAW OFFICES** 5 Laurie J. Bartilson, SBN #139220 MOXON & BARTILSON 6 6255 Sunset Boulevard, Suite 2000 Hollywood, CA 90028 7 (213) 960-1936 Telefax: (213) 953-3351 8 Attorneys for Plaintiff 9 CHURCH OF SCIENTOLOGY INTERNATIONAL 10 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF MARIN 13 CHURCH OF SCIENTOLOGY) CASE NO. 157 680 INTERNATIONAL, a California not-14 for-profit religious corporation,) [CONSOLIDATED] 15 CHURCH OF SCIENTOLOGY INTERNATIONAL'S MEMORANDUM 16 OF POINTS AND AUTHORITIES IN SUPPORT OF EX PARTE Plaintiff, 17 APPLICATION FOR AN ORDER STRIKING ARMSTRONG'S 18 EVIDENCE IN SUPPORT OF VS. OPPOSITION TO PLAINTIFF'S 19) PENDING MOTIONS FOR SUMMARY ADJUDICATION, OR, IN THE 20 ALTERNATIVE, FOR AN ORDER SEALING THE FOLLOWING 2-1-EXHIBITS: VOL. VI, EX. 1(J)(A), EX. 1(J)(M); VOL. 22) VII, EX. 1(J)(M); VOL. IX, GERALD ARMSTRONG; DOES 1 through EX. 2(A), 2(C), 3(B), 5(B), 25, inclusive, AND 7(A); REQUEST FOR 23 SANCTIONS [C.C.P. § 24 437c(i)] 25 DATE: September 19, 1995 TIME: 9:30 a.m. 26 DEPT: 1 Defendants. 27 TRIAL DATE: None set

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INTRODUCTION

This application seeks to strike ten volumes of evidence late-filed by defendant Gerald Armstrong in support of his opposition to plaintiff's pending motions for summary adjudication or, in the alternative, the sealing of 9 exhibits which contain or consist of plaintiff's confidential scriptures (hereinafter, "the Confidential Exhibits"). The ten volumes of exhibits were filed with this Court after the imposed deadline of 10:00 a.m. on Monday, September 18, had passed. [Declaration of Andrew H. Wilson They consist of a potpourri of declarations previously filed by Armstrong; documents from other cases, some as old as the 1970's; third-party, hearsay declarations; and unabashed argument by Armstrong. They have in common three (1) they offer no competent, relevant evidence as to anything placed at issue by the summary adjudication motions; (2) they consist of hate-filled, false accusations of the "badness" of the plaintiff and its faith; and (3) they are offered to support the (non-litigable) proposition that God is on Gerry Armstrong's side. The exhibits in question are not referenced at all in Armstrong's simultaneously-filed memorandum, and they contribute absolutely nothing relevant to the determination of the pending summary adjudication motions.

In the event that the Court does not simply strike the evidence outright, plaintiff seeks to have 9 of the exhibits

The exhibits which plaintiff seeks to seal are: VOL. VI, EX. 1(J)(A), EX. 1(J)(M); VOL. VII, EX. 1(J)(M); VOL. IX, EX. 2(A), 2(C), 3(B), 5(B), AND 7(A).

placed under seal pursuant to Civil Code § 3426.5. The exhibits, identified in the Motion as the "Confidential Exhibits," are altered, copied or re-created versions of portions of Scientology's "Advanced Technology," or descriptions of the same: highly sacred scriptures which are maintained by plaintiff as confidential trade secrets. They are not relevant to any matters at issue in the case, and were filed by Armstrong to harass plaintiff and create confusion and delay. They have already been ordered stricken once by this Court, and once by the bankruptcy Court. [Wilson Dec.] As this Court held in September, 1994, "The religious beliefs of the parties are irrelevant in determining the issues in this action."

Plaintiff requests that, if this Court does not strike the evidence in its entirety, that the Court maintain the Confidential Exhibits under seal. Plaintiff also requests that sanctions be imposed against Armstrong, in light of his obvious and calculated bad faith re-filing of the Confidential Exhibits.

II.

THE EVIDENCE WAS NOT FILED OR SERVED IN A TIMELY FASHION, AND OFFERS NO EVIDENCE THAT IS RELEVANT TO PLAINTIFF'S SUMMARY ADJUDICATION MOTION

Code of Civil Procedure § 437c(b) provides in relevant part that, "Any opposition to [a motion for summary adjudication] shall be served and filed not less than 14 days preceding the noticed or continued date of the hearing, unless the court for good cause orders otherwise."

Plaintiff's summary adjudication motions have been pending with this Court since February, 1995. They were fully briefed by April, 1995, and this Court was ready to rule. Armstrong had

delayed the hearing of the motions for months by firing his attorney (Mr. Greene), and then obtaining extensions of time in which to respond. Apparently still unhappy with his defense, Armstrong further delayed the hearings by filing for bankruptcy on the day this Court was due to issue its tentative ruling. Now that his bankruptcy ploy has failed, Armstrong has miraculously obtained the funds to re-hire Mr. Greene.

Nonetheless, this Court generously permitted Armstrong to file still additional papers with the Court, and to do so fewer than 14 days before the re-scheduled hearing. However, Armstrong's counsel asserted that he intended only to file a memorandum of points and authorities, which Armstrong had not filed previously. He was ordered to serve and file it by 10:00 a.m. on September 18.

Armstrong did not file anything on the morning to September 18 [Wilson Dec.]. Instead, he served on plaintiff's counsel ten volumes of additional, extraneous "evidence," much of which had already been filed in response to other pleadings in this case, and some of which had previously been stricken by this Court.

Moreover, the vast majority of the "evidence" is not mentioned by Armstrong's attorney anywhere in the opposing memorandum. Instead, the documents focus on Armstrong's religious beliefs and what he contends are the religious beliefs of plaintiff.² However, this Court has already held that the

For example, Armstrong devotes a substantial portion of his assorted declarations to (1) insisting that Scientology theology preaches that God does not exist (it does not); (2) arguing that Scientology is not a religion but "idolatry" (all courts and even (continued...)

religious beliefs of the parties are <u>not relevant</u> to this action. For this reason alone, the evidence should be stricken.

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The exhibits which Armstrong alone purports to authenticate, are also inadmissible as evidence. C.C.P. § 437c(d) provides, in relevant part, that

Supporting and opposing affidavits or declarations shall be made by any person on personal knowledge, shall set forth admissible evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated in the affidavits or declarations.

Armstrong's authenticating declaration, exhibit 1, is virtually a word-processed expansion of the same declaration which he offered to this Court in January, and which this Court ordered stricken. Armstrong does not aver that his declaration [Exhibit 1] is made on personal knowledge, which the statute plainly requires. Further, much of the declaration is hearsay -- Armstrong's testimony as to what God purportedly said to him. Finally, the declaration lacks any showing that Armstrong is competent to testify about the matters contained in the declaration. If anything, the declaration casts serious doubt on whether Armstrong is competent as a witness.

In short, the evidence was late-filed, beyond the time permitted by the Court, and no good cause exists to permit it to be considered. It should, accordingly, be stricken.

III. IN THE ALTERNATIVE, THE COURT SHOULD SEAL THE

²(...continued) the IRS disagree with that characterization); and (3) proclaiming that he alone understands and is following Scientology's creed. None of these matters has <u>any</u> bearing on whether or not Armstrong breached his settlement agreement with plaintiff.

CONFIDENTIAL EXHIBITS BECAUSE THEY ARE RE-CREATED VERSIONS OF PLAINTIFF'S TRADE SECRETS

Armstrong and other declarant claim that Exhibits 1(J)(A), 1(J)(M), 2(C), 3(B) and 5(B) are copies of "OT III" and/or "Upper Level" materials. "Upper Level" scripture (known as the "Advanced Technology") is scripture which is the product of some of L. Ron Hubbard's advanced researches into the human spirit. The designation "OT III" stands for "Operating Thetan, Level 3," and is part of Scientology's Advanced Technology. Scientology theology provides that the Advanced Technology is kept confidential, and disclosed to Scientology parishioners only when those parishioners have completed the earlier necessary steps in Scientology's path to greater spiritual awareness. The Confidential Exhibits are re-created versions of trade secrets that are kept confidential by the Church, and that must not be kept in the Court's public files.

The California Civil Code provides that trade secrets, or even matters alleged to be trade secrets, must be protected while they are involved in litigation:

In an action under this title, a court <u>shall</u> preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, <u>sealing the records</u> of the

 $^{^{3}}$ Exhibits 2(A) and 7(A) contain lengthy descriptions of the confidential works, including some trade secrets.

Scientologists refer to the person himself, the being, as a "thetan." The definition of the state of "Operating Thetan" is "knowing and willing cause over life, thought, matter, energy, space and time." To be permitted access to the confidential Advanced Technology, through which a person achieves the state of Operating Thetan, the person must progress first through all the lower, gradient levels of Scientology religious counseling.

action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval.

Civil Code § 3426.5 (emphasis supplied).

Armstrong has filed the Confidential Exhibits in this

Court's public files solely to harass plaintiff. He is well

aware of plaintiff's interest in the documents as trade secrets.

Indeed, the materials in question have been judicially recognized

as trade secrets under Civil Code § 3426.1 in Bridge Publications

Inc. v. Vien (S.D.Cal. 1993) 827 F.Supp. 629 at 633, citing

Religious Technology Center v. Scott (9th Cir. 1989) 869 F.2d

1306, 1309-10 (holding that the Advanced Technology can be

protectable as a trade secret). The documents in Armstrong's

Confidential Exhibits are re-creations of portions of Advanced

Technology which the Vien court has already adjudicated to be

trade secrets as a matter of law.

Armstrong's interjections of these materials into the Court's files is objectionable not merely because they are trade secrets, but also because a church has a generalized interest in maintaining confidentiality of internal documents both for itself

_5 In <u>Vien</u>, the Court granted summary judgment for trade secret misappropriation, finding these confidential scriptures to be trade secrets as a matter of law. Id. at 633. The Vien court specifically recognized that the confidentiality and security requirements of Civil Code § 3426.1 had been met with respect to the Advanced Technology, and that it had independent economic 827 F.Supp. at 633, quoting Murdock v. Commonwealth of Pennsylvania (1943) 319 U.S. 105, 111, 63 S.Ct. 870, 874, 87 L.Ed. 1292; Cal. Civ. Code § 3426.1(d). While there is other litigation pending in several districts with respect to the trade secret status of these materials, the Vien case is the only case which has reached a final and binding judgment. In no case has a court failed to seal or strike the materials from the public record.

and its parishioners. <u>U.S. v. Hubbard</u> (D.C.Cir. 1980) 650 F.2d 293, 306-07. The Confidential Exhibits are not the subject of this litigation. Armstrong's counsel, Mr. Greene, acknowledged this, and told plaintiff's counsel that he had instructed Armstrong not to file them. Armstrong did so anyway. Armstrong obviously has filed these documents intentionally only because he knows it will upset plaintiff's parishioners and staff. The Confidential Exhibits are or contain trade secrets, and if they are not stricken entirely by the Court, they at least should be placed under seal.

IV.

ARMSTRONG SHOULD BE SANCTIONED

Code of Civil Procedure Section 437c(i) provides in relevant part that,

If the court determines at any time that any of the affidavits are presented in bad faith or solely for the purposes of delay, the court shall order the party presenting the affidavits to pay the other party the amount of the reasonable expenses which the filing of he affidavit caused the other party to incur.

Here, plaintiff's counsel, Mr. Wilson, discussed the matter of confidential exhibits with Mr. Greene. Armstrong had filed copies of confidential materials gratuitously in the past, and Mr. Wilson sought an assurance from Mr. Greene that no such documents would be a part of this intended filing. Mr. Greene gave Mr. Wilson that assurance. [Wilson Dec.] Had he not done so, Mr. Wilson would have sought an order from the Court preventing the filing of such documents, or, in the alternative, having them filed only under seal. [Id.] When Mr. Wilson received the evidence, and realized that it consisted entirely of

irrelevant diatribes and confidential material, he gave Mr. Greene notice of this hearing. Mr. Greene responded with a voice mail message for Mr. Wilson which stated that he would appear for the hearing, and that he did not understand what the problem was because he had instructed Armstrong to remove the confidential materials before serving and filing the papers. [Id.] Thus, Armstrong's own attorney has admitted that the Confidential Exhibits are not relevant to any pending matter, and should not have been filed at all. Armstrong plainly served and filed them in bad faith, causing plaintiff to bring this motion at substantial expense. He should be sanctioned pursuant to C.C.P. § 437c(i).

IV.

CONCLUSION

The evidence filed by Armstrong is untimely, irrelevant, and seeks to expose plaintiff's trade secrets. Plaintiff asks this Court to strike the evidence or, in the alternative, place the Confidential Exhibits under a protective seal. Plaintiff also requests that Armstrong be sanctioned under C.C.P. § 437c(i). Dated: September 19, 1995 Respectfully submitted,

Andrew H. Wilson WILSON, RYAN & CAMPILONGO

MOXON & BARTILSON

Laurie J. Bartilson

Attorneys for Plaintiff

CHURCH OF SCIENTOLOGY INTERNATIONAL